

# Senate File 372

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AN ACT  
RELATING TO THE LICENSING OF PERSONS PROVIDING MONEY  
TRANSMISSION AND CURRENCY EXCHANGE SERVICES, PROVIDING  
PENALTIES, AND PROVIDING AN EFFECTIVE DATE.  
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
ARTICLE 1  
GENERAL PROVISIONS  
Section 1. NEW SECTION. 533C.101 SHORT TITLE.  
This chapter may be cited as the "Uniform Money Services  
Act".  
Sec. 2. NEW SECTION. 533C.102 DEFINITIONS.  
In this chapter:  
1. "Applicant" means a person that files an application  
for a license under this chapter.  
2. "Authorized delegate" means a person a licensee  
designates to provide money services on behalf of the  
licensee.  
3. "Bank" means an institution organized under federal or  
state law which does any of the following:  
a. Accepts demand deposits or deposits that the depositor  
may use for payment to third parties and engages in the  
business of making commercial loans.  
b. Engages in credit card operations and maintains only  
one office that accepts deposits, does not accept demand  
deposits or deposits that the depositor may use for payments  
to third parties, does not accept a savings or time deposit  
less than one hundred thousand dollars, and does not engage in  
the business of making commercial loans.  
4. "Compensation" means any fee, commission, or other  
benefit.  
5. "Conducting the business" means engaging in activities  
of a licensee or money transmitter more than ten times in any  
calendar year for compensation.  
6. "Control" means any of the following:  
a. Ownership of, or the power to vote, directly or  
indirectly, at least twenty-five percent of a class of voting  
securities or voting interests of a licensee or person in  
control of a licensee.  
b. Power to elect a majority of executive officers,  
managers, directors, trustees, or other persons exercising  
managerial authority of a licensee or person in control of a  
licensee.  
c. The power to exercise, directly or indirectly, a  
controlling influence over the management or policies of a  
licensee or person in control of a licensee.  
7. "Credit union" means a cooperative, nonprofit  
association incorporated under chapter 533 or the Federal  
Credit Union Act, 12 U.S.C. } 1751 et seq., that is insured by  
the national credit union administration and includes an  
office of a credit union.  
8. "Currency exchange" means receipt of compensation from  
the exchange of money of one government for money of another  
government.  
9. "Executive officer" means a president, chairperson of  
the executive committee, chief financial officer, responsible  
individual, or other individual who performs similar  
functions.  
10. "Licensee" means a person licensed under this chapter.  
11. "Location" means a place of business at which activity  
conducted by a licensee or money transmitter occurs.  
12. "Monetary value" means a medium of exchange, whether  
or not redeemable in money.  
13. "Money" means a medium of exchange authorized or  
adopted by a domestic or foreign government as a part of its  
currency and that is customarily used and accepted as a medium  
of exchange in the country of issuance. The term includes a  
monetary unit of account established by an intergovernmental  
organization or by agreement between two or more governments.  
14. "Money services" means money transmission or currency  
exchange.  
15. "Money transmission" means any of the following:

3 6 a. Selling payment instruments to one or more persons or  
3 7 issuing payment instruments which are sold to one or more  
3 8 persons.  
3 9 b. Conducting the business of receiving money or monetary  
3 10 value for transmission.  
3 11 c. Conducting the business of receiving money for obligors  
3 12 for the purpose of paying obligors' bills, invoices, or  
3 13 accounts.  
3 14 16. "Outstanding", with respect to a payment instrument,  
3 15 means issued or sold by or for the licensee and reported as  
3 16 sold but not yet paid by or for the licensee.  
3 17 17. "Payment instrument" means a check, draft, money  
3 18 order, traveler's check, stored-value, or other instrument or  
3 19 order for the transmission or payment of money or monetary  
3 20 value, sold to one or more persons, whether or not that  
3 21 instrument or order is negotiable. "Payment instrument" does  
3 22 not include an instrument that is redeemable by the issuer or  
3 23 an affiliate in merchandise or service, a credit card voucher,  
3 24 or a letter of credit.  
3 25 18. "Person" means an individual, corporation, business  
3 26 trust, estate, trust, partnership, limited liability company,  
3 27 association, joint venture, government; governmental  
3 28 subdivision, agency or instrumentality; public corporation; or  
3 29 any other legal or commercial entity.  
3 30 19. "Proceeds" means property acquired or derived directly  
3 31 or indirectly from, produced through, realized through, or  
3 32 caused by an act or omission and includes any property of any  
3 33 kind.  
3 34 20. "Property" means anything of value, and includes any  
3 35 interest in property, including any benefit, privilege, claim,  
4 1 or right with respect to anything of value, whether real or  
4 2 personal, tangible or intangible, without reduction for  
4 3 expenses incurred for acquisition, maintenance, production, or  
4 4 any other purpose.  
4 5 21. "Record" means information that is inscribed on a  
4 6 tangible medium or that is stored in an electronic or other  
4 7 medium and is retrievable in perceivable form.  
4 8 22. "Responsible individual" means an individual who is  
4 9 employed by a licensee and has principal managerial authority  
4 10 over the provision of money services by the licensee in this  
4 11 state.  
4 12 23. "State" means a state of the United States, the  
4 13 District of Columbia, Puerto Rico, the United States Virgin  
4 14 Islands, or any territory or insular possession subject to the  
4 15 jurisdiction of the United States.  
4 16 24. "Stored-value" means a monetary value that is  
4 17 evidenced by an electronic record.  
4 18 25. "Superintendent" means the superintendent of banking  
4 19 for the state of Iowa.  
4 20 26. "Transaction" includes a purchase, sale, trade, loan,  
4 21 pledge, investment, gift, transfer, transmission, delivery,  
4 22 deposit, withdrawal, payment, transfer between accounts,  
4 23 exchange of currency, extension of credit, purchase or sale of  
4 24 any monetary instrument or stored-value, use of a safe deposit  
4 25 box, or any other acquisition or disposition of property by  
4 26 whatever means effected.  
4 27 27. "Unsafe or unsound practice" means a practice or  
4 28 conduct by a person licensed to engage in money transmission  
4 29 or an authorized delegate of such a person which creates the  
4 30 likelihood of material loss, insolvency, or dissipation of the  
4 31 licensee's assets, or otherwise materially prejudices the  
4 32 interests of its customers.  
4 33 Sec. 3. NEW SECTION. 533C.103 EXCLUSIONS.  
4 34 This chapter does not apply to:  
4 35 1. The United States or a department, agency, or  
5 1 instrumentality thereof.  
5 2 2. A money transmission by the United States postal  
5 3 service or by a contractor on behalf of the United States  
5 4 postal service.  
5 5 3. A state, county, city, or any other governmental agency  
5 6 or governmental subdivision of a state.  
5 7 4. A bank, bank holding company, savings and loan  
5 8 association, savings bank, credit union, office of an  
5 9 international banking corporation, branch of a foreign bank,  
5 10 corporation organized pursuant to the federal Bank Service  
5 11 Company Act, 12 U.S.C. } 1861=1867, or corporation organized  
5 12 under the federal Edge Act, 12 U.S.C. } 611=633, under the  
5 13 laws of a state or the United States.  
5 14 5. Electronic funds transfer of governmental benefits for  
5 15 a federal, state, county, or governmental agency by a  
5 16 contractor on behalf of the United States or a department,

5 17 agency, or instrumentality thereof, or a state or governmental  
5 18 subdivision, agency, or instrumentality thereof.

5 19 6. A board of trade designated as a contract market under  
5 20 the federal Commodity Exchange Act, 7 U.S.C. } 1=25, or a  
5 21 person that, in the ordinary course of business, provides  
5 22 clearance and settlement services for a board of trade to the  
5 23 extent of its operation as or for such a board.

5 24 7. A registered futures commission merchant under the  
5 25 federal commodities laws to the extent of its operation as  
5 26 such a merchant.

5 27 8. A person that provides clearance or settlement services  
5 28 pursuant to a registration as a clearing agency or an  
5 29 exemption from such registration granted under the federal  
5 30 securities laws to the extent of its operation as such a  
5 31 provider.

5 32 9. An operator of a payment system to the extent that it  
5 33 provides processing, clearing, or settlement services, between  
5 34 or among persons excluded by this section, in connection with  
5 35 wire transfers, credit card transactions, debit card  
6 1 transactions, stored-value transactions, automated clearing  
6 2 house transfers, or similar funds transfers.

6 3 10. A person registered as a securities broker=dealer  
6 4 under federal or state securities laws to the extent of its  
6 5 operation as such a broker=dealer.

6 6 11. A delayed deposit services business as defined in  
6 7 chapter 533D.

6 8 12. A real estate broker or salesperson as defined in  
6 9 chapter 543B.

6 10 13. Pari=mutuel wagering, racetracks, and excursion  
6 11 gambling boats as provided in chapters 99D and 99F.

6 12 14. A person engaging in the business of debt management  
6 13 that is licensed or exempt from licensing pursuant to section  
6 14 533A.2.

6 15 15. An insurance company organized under chapter 508, 514,  
6 16 514B, 515, 518, 518A, or 520, or authorized to do the business  
6 17 of insurance in Iowa to the extent of its operation as an  
6 18 insurance company.

6 19 16. An insurance producer as defined in section 522B.1 to  
6 20 the extent of its operation as an insurance producer.

#### 6 21 ARTICLE 2

##### 6 22 MONEY TRANSMISSION LICENSES

6 23 Sec. 4. NEW SECTION. 533C.201 LICENSE REQUIRED.

6 24 1. A person shall not engage in the business of money  
6 25 transmission or advertise, solicit, or hold itself out as  
6 26 providing money transmission unless the person:

6 27 a. Is licensed under this article.

6 28 b. Is an authorized delegate of a person licensed under  
6 29 this article.

6 30 2. A license under this article is not transferable or  
6 31 assignable.

6 32 Sec. 5. NEW SECTION. 533C.202 APPLICATION FOR LICENSE.

6 33 1. In this section, "material litigation" means litigation  
6 34 that according to generally accepted accounting principles is  
6 35 significant to an applicant's or a licensee's financial health  
7 1 and would be required to be disclosed in the applicant's or  
7 2 licensee's annual audited financial statements, report to  
7 3 shareholders, or similar records.

7 4 2. A person applying for a license under this article  
7 5 shall do so in a form prescribed by the superintendent. The  
7 6 application must state or contain:

7 7 a. The legal name and residential and business addresses  
7 8 of the applicant and any fictitious or trade name used by the  
7 9 applicant in conducting its business.

7 10 b. A list of any criminal convictions of the applicant and  
7 11 any material litigation in which the applicant has been  
7 12 involved in the ten=year period next preceding the submission  
7 13 of the application.

7 14 c. A description of any money services previously provided  
7 15 by the applicant and the money services that the applicant  
7 16 seeks to provide in this state.

7 17 d. A list of the applicant's proposed authorized delegates  
7 18 and the locations in this state where the applicant and its  
7 19 authorized delegates propose to engage in money transmission  
7 20 or provide other money services.

7 21 e. A list of other states in which the applicant is  
7 22 licensed to engage in money transmission or provide other  
7 23 money services and any license revocations, suspensions, or  
7 24 other disciplinary action taken against the applicant in  
7 25 another state.

7 26 f. Information concerning any bankruptcy or receivership  
7 27 proceedings affecting the licensee.

7 28 g. A sample form of contract for authorized delegates, if  
7 29 applicable, and a sample form of payment instrument or  
7 30 instrument upon which stored-value is recorded, if applicable.  
7 31 h. The name and address of any bank through which the  
7 32 applicant's payment instruments and stored-value will be paid.  
7 33 i. A description of the source of money and credit to be  
7 34 used by the applicant to provide money services.  
7 35 j. Any other information the superintendent reasonably  
8 1 requires with respect to the applicant.  
8 2 3. If an applicant is a corporation, limited liability  
8 3 company, partnership, or other entity, the applicant shall  
8 4 also provide all of the following:  
8 5 a. The date of the applicant's incorporation or formation  
8 6 and state or country of incorporation or formation.  
8 7 b. If applicable, a certificate of good standing from the  
8 8 state or country in which the applicant is incorporated or  
8 9 formed.  
8 10 c. A brief description of the structure or organization of  
8 11 the applicant, including any parent or subsidiary of the  
8 12 applicant, and whether any parent or subsidiary is publicly  
8 13 traded.  
8 14 d. The legal name, any fictitious or trade name, all  
8 15 business and residential addresses, and the employment, in the  
8 16 ten-year period next preceding the submission of the  
8 17 application of each executive officer, manager, director, or  
8 18 person that has control, of the applicant.  
8 19 e. A list of any criminal convictions and material  
8 20 litigation in which any executive officer, manager, director,  
8 21 or person in control of the applicant has been involved in the  
8 22 ten-year period next preceding the submission of the  
8 23 application.  
8 24 f. A copy of the applicant's audited financial statements  
8 25 for the most recent fiscal year and, if available, for the  
8 26 two-year period next preceding the submission of the  
8 27 application.  
8 28 g. A copy of the applicant's unconsolidated financial  
8 29 statements for the current fiscal year, whether audited or  
8 30 not, and, if available, for the two-year period next preceding  
8 31 the submission of the application.  
8 32 h. If the applicant is publicly traded, a copy of the most  
8 33 recent report filed with the United States securities and  
8 34 exchange commission under section 13 of the federal Securities  
8 35 Exchange Act of 1934, 15 U.S.C. } 78m.  
9 1 i. If the applicant is a wholly owned subsidiary of:  
9 2 (1) A corporation publicly traded in the United States, a  
9 3 copy of audited financial statements for the parent  
9 4 corporation for the most recent fiscal year or a copy of the  
9 5 parent corporation's most recent report filed under section 13  
9 6 of the federal Securities Exchange Act of 1934, 15 U.S.C. }  
9 7 78m.  
9 8 (2) A corporation publicly traded outside the United  
9 9 States, a copy of similar documentation filed with the  
9 10 regulator of the parent corporation's domicile outside the  
9 11 United States.  
9 12 j. If the applicant has a registered agent in this state,  
9 13 the name and address of the applicant's registered agent in  
9 14 this state.  
9 15 k. Any other information the superintendent reasonably  
9 16 requires with respect to the applicant.  
9 17 4. A nonrefundable application fee of one thousand dollars  
9 18 and a license fee must accompany an application for a license  
9 19 under this article. The license fee must be refunded if the  
9 20 application is denied. The license fee shall be the sum of  
9 21 five hundred dollars plus an additional ten dollars for each  
9 22 location in this state at which business is conducted through  
9 23 authorized delegates or employees of the licensee, but shall  
9 24 not exceed five thousand dollars. Fees for locations added  
9 25 after the initial application shall be submitted with the  
9 26 quarterly reports pursuant to section 533C.503, subsection 2.  
9 27 If the licensee has no locations in this state at which  
9 28 business is conducted through authorized delegates or  
9 29 employees of the licensee, the license fee shall be set by the  
9 30 superintendent, but shall not exceed five thousand dollars. A  
9 31 license under this article expires on the next September 30  
9 32 after its issuance. The initial license fee is considered an  
9 33 annual fee and the superintendent shall prorate the license  
9 34 fee, refunding any amount due to a partial license year.  
9 35 However, no refund of a license fee shall be made when a  
10 1 license is suspended, revoked, or surrendered.  
10 2 5. The superintendent may waive one or more requirements  
10 3 of subsections 2 and 3, or permit an applicant to submit other

10 4 information in lieu of the required information.

10 5 Sec. 6. NEW SECTION. 533C.203 SECURITY.

10 6 1. Except as otherwise provided in subsection 2, a surety  
10 7 bond, letter of credit, or other similar security acceptable  
10 8 to the superintendent in the amount of fifty thousand dollars  
10 9 plus ten thousand dollars per location, not exceeding a total  
10 10 addition of three hundred thousand dollars, must accompany an  
10 11 application for a license. If the licensee has no locations  
10 12 in this state, the superintendent shall set the bond amount  
10 13 not to exceed three hundred thousand dollars.

10 14 2. Security must be in a form satisfactory to the  
10 15 superintendent and payable to the state for the benefit of any  
10 16 claimant against the licensee to secure the faithful  
10 17 performance of the obligations of the licensee with respect to  
10 18 money transmission.

10 19 3. The aggregate liability on a surety bond shall not  
10 20 exceed the principal sum of the bond. A claimant against a  
10 21 licensee may maintain an action on the bond, or the  
10 22 superintendent may maintain an action on behalf of the  
10 23 claimant.

10 24 4. A surety bond must cover claims for so long as the  
10 25 superintendent specifies, but for at least five years after  
10 26 the licensee ceases to provide money services in this state.  
10 27 However, the superintendent may permit the amount of security  
10 28 to be reduced or eliminated before the expiration of that time  
10 29 to the extent the amount of the licensee's payment instruments  
10 30 or stored-value obligations outstanding in this state is  
10 31 reduced. The superintendent may permit a licensee to  
10 32 substitute another form of security acceptable to the  
10 33 superintendent for the security effective at the time the  
10 34 licensee ceases to provide money services in this state.

10 35 5. In lieu of the security prescribed in this section, an  
11 1 applicant for a license or a licensee may provide security in  
11 2 a form prescribed by the superintendent.

11 3 6. The superintendent may increase the amount of security  
11 4 required to a maximum of one million dollars if the financial  
11 5 condition of a licensee so requires, as evidenced by reduction  
11 6 of net worth, financial losses, or other relevant criteria.

11 7 Sec. 7. NEW SECTION. 533C.204 ISSUANCE OF LICENSE.

11 8 1. When an application is filed under this article, the  
11 9 superintendent shall investigate the applicant's financial  
11 10 condition and responsibility, financial and business  
11 11 experience, character, and general fitness. The  
11 12 superintendent may conduct an on-site investigation of the  
11 13 applicant, the reasonable cost of which the applicant must  
11 14 pay. The superintendent shall issue a license to an applicant  
11 15 under this article if the superintendent finds that all of the  
11 16 following conditions have been fulfilled:

11 17 a. The applicant has complied with sections 533C.202,  
11 18 533C.203, and 533C.206.

11 19 b. The applicant has not been convicted of or pled guilty  
11 20 to a felony or an indictable misdemeanor for financial gain  
11 21 within the past ten years.

11 22 c. The applicant has paid a fee set by the department of  
11 23 public safety, division of criminal investigation and bureau  
11 24 of identification, to defray the costs associated with the  
11 25 search of criminal history records of the applicant. If the  
11 26 applicant is a corporation, the applicant shall pay the fee  
11 27 associated with a criminal history record check for the  
11 28 directors and officers of the corporation. If the applicant  
11 29 is a partnership, the applicant shall pay the fee associated  
11 30 with a criminal history record check for each of the partners.  
11 31 The superintendent may require the applicant to provide  
11 32 additional information from the applicant if the department of  
11 33 public safety records indicate that a person with the same  
11 34 name has a criminal history. If the applicant is a publicly  
11 35 traded corporation or a subsidiary or affiliate of a publicly  
12 1 traded corporation, no criminal history record check shall be  
12 2 required.

12 3 2. When an application for an original license under this  
12 4 article is complete, the superintendent shall promptly notify  
12 5 the applicant of the date on which the application was  
12 6 determined to be complete and the superintendent shall approve  
12 7 or deny the application within one hundred twenty days after  
12 8 that date.

12 9 3. The superintendent may for good cause extend the  
12 10 application period.

12 11 4. An applicant whose application is denied by the  
12 12 superintendent under this article may appeal, within thirty  
12 13 days after receipt of the notice of the denial, from the  
12 14 denial and request a hearing. The denial of a license shall

12 15 not be deemed a contested case.

12 16 Sec. 8. NEW SECTION. 533C.205 RENEWAL OF LICENSE.

12 17 1. A licensee under this article shall pay an annual  
12 18 renewal fee as determined below by no later than September 1  
12 19 of the year of expiration. The renewal fee shall be five  
12 20 hundred dollars plus an additional ten dollars for each  
12 21 location in this state at which business is conducted through  
12 22 authorized delegates or employees of the licensee, but shall  
12 23 not exceed five thousand dollars. Fees for locations added  
12 24 after submission of the renewal application shall be submitted  
12 25 with the quarterly reports pursuant to section 533C.503,  
12 26 subsection 2. If the licensee has no locations in this state  
12 27 at which business is conducted through authorized delegates or  
12 28 employees of the licensee, the license fee shall be set by the  
12 29 superintendent, but shall not exceed five thousand dollars.  
12 30 Licenses issued under chapter 533B, Code 2003, will be  
12 31 initially renewed as provided in section 533C.904.

12 32 2. A licensee under this article shall submit a renewal  
12 33 report with the renewal fee, in a form prescribed by the  
12 34 superintendent. The renewal report must state or contain:

12 35 a. A copy of the licensee's most recent audited annual  
13 1 financial statement or, if the licensee is a wholly owned  
13 2 subsidiary of another corporation, the most recent audited  
13 3 consolidated annual financial statement of the parent  
13 4 corporation or the licensee's most recent audited consolidated  
13 5 annual financial statement.

13 6 b. The number and monetary amount of payment instruments  
13 7 sold by the licensee in this state which have not been  
13 8 included in a renewal report, and the monetary amount of  
13 9 payment instruments and stored-value currently outstanding.

13 10 c. A description of each material change in information  
13 11 submitted by the licensee in its original license application  
13 12 which has not been reported to the superintendent on any  
13 13 required report.

13 14 d. A list of the licensee's permissible investments and a  
13 15 certification that the licensee continues to maintain  
13 16 permissible investments according to the requirements set  
13 17 forth in sections 533C.601 and 533C.602.

13 18 e. Proof that the licensee continues to maintain adequate  
13 19 security as required by section 533C.203; and

13 20 f. A list of the locations in this state where the  
13 21 licensee or an authorized delegate of the licensee engages in  
13 22 money transmission or provides other money services.

13 23 3. If a licensee does not file a renewal report or pay its  
13 24 renewal fee by September 1, or any extension of time granted  
13 25 by the superintendent, the superintendent may assess a late  
13 26 fee of one hundred dollars per day.

13 27 Sec. 9. NEW SECTION. 533C.206 NET WORTH.

13 28 A licensee under this article shall maintain a net worth of  
13 29 at least one hundred thousand dollars plus ten thousand  
13 30 dollars per authorized delegate not to exceed five hundred  
13 31 thousand dollars determined in accordance with generally  
13 32 accepted accounting principles. If the licensee has no  
13 33 locations in this state at which business is conducted through  
13 34 authorized delegates or employees of the licensee, the minimum  
13 35 net worth, not to exceed five hundred thousand dollars, shall  
14 1 be set by the superintendent.

14 2 ARTICLE 3

14 3 CURRENCY EXCHANGE LICENSES

14 4 Sec. 10. NEW SECTION. 533C.301 LICENSE REQUIRED.

14 5 1. A person shall not engage in currency exchange or  
14 6 advertise, solicit, or hold itself out as providing currency  
14 7 exchange for which the person receives revenues equal or  
14 8 greater than five percent of total revenues unless the person:

14 9 a. Is licensed under this article.

14 10 b. Is licensed for money transmission under article 2.

14 11 c. Is an authorized delegate of a person licensed under  
14 12 article 2.

14 13 2. A license under this article is not transferable or  
14 14 assignable.

14 15 Sec. 11. NEW SECTION. 533C.302 APPLICATION FOR LICENSE.

14 16 1. A person applying for a license under this article  
14 17 shall do so in a form prescribed by the superintendent. The  
14 18 application must state or contain:

14 19 a. The legal name and residential and business addresses  
14 20 of the applicant, if the applicant is an individual, or, if  
14 21 the applicant is not an individual, the name of each partner,  
14 22 executive officer, manager, and director.

14 23 b. The location of the principal office of the applicant.

14 24 c. The complete addresses of other locations in this state  
14 25 where the applicant proposes to engage in currency exchange,

14 26 including all limited stations and mobile locations.  
14 27 d. A description of the source of money and credit to be  
14 28 used by the applicant to engage in currency exchange.  
14 29 e. Other information the superintendent reasonably  
14 30 requires with respect to the applicant, but not more than the  
14 31 superintendent may require under article 2.

14 32 2. A nonrefundable application fee of one thousand dollars  
14 33 and the license fee must accompany an application for a  
14 34 license under this article. The license fee shall be the sum  
14 35 of five hundred dollars plus an additional one hundred dollars  
15 1 for each location at which business is conducted, but not to  
15 2 exceed two thousand dollars. Fees for locations added after  
15 3 the initial application shall be submitted with the quarterly  
15 4 reports pursuant to section 533C.503, subsection 2. The  
15 5 license fee must be refunded if the application is denied. A  
15 6 license under this article expires on the next September 30 of  
15 7 an odd-ending year after its issuance. The initial license  
15 8 fee is considered a biennial fee and the superintendent shall  
15 9 prorate the license fee, refunding any amount due to a partial  
15 10 license period. However, no refund of a license fee shall be  
15 11 made when a license is suspended, revoked, or surrendered.

15 12 Sec. 12. NEW SECTION. 533C.303 ISSUANCE OF LICENSE.  
15 13 1. Upon the filing of an application under this article,  
15 14 the superintendent shall investigate the applicant's financial  
15 15 condition and responsibility, financial and business  
15 16 experience, character, and general fitness. The  
15 17 superintendent may conduct an on-site investigation of the  
15 18 applicant, the reasonable cost of which the applicant must  
15 19 pay. The superintendent shall issue a license to an applicant  
15 20 under this article if the superintendent finds that all of the  
15 21 following conditions have been fulfilled:  
15 22 a. The applicant has complied with section 533C.302.  
15 23 b. The applicant has not been convicted of or pled guilty  
15 24 to any felony or an indictable misdemeanor for financial gain  
15 25 within the past ten years.  
15 26 c. The applicant has paid a fee set by the department of  
15 27 public safety, division of criminal investigation and bureau  
15 28 of identification, to defray the costs associated with the  
15 29 search of criminal history records of the applicant. If the  
15 30 applicant is a corporation, the applicant shall pay the fee  
15 31 associated with a criminal history record check for the  
15 32 directors and officers of the corporation. If the applicant  
15 33 is a partnership, the applicant shall pay the fee associated  
15 34 with a criminal history record check for each of the partners.  
15 35 The superintendent may require the applicant to provide  
16 1 additional information from the applicant if the department of  
16 2 public safety records indicate that a person with the same  
16 3 name has a criminal history. If the applicant is a publicly  
16 4 traded corporation or a subsidiary or affiliate of a publicly  
16 5 traded corporation, no criminal history record check shall be  
16 6 required.  
16 7 d. The financial condition and responsibility, financial  
16 8 and business experience, competence, character, and general  
16 9 fitness of the applicant; and the competence, experience,  
16 10 character, and general fitness of the executive officers,  
16 11 managers, directors, and persons in control of the applicant  
16 12 indicate that it is in the interest of the public to permit  
16 13 the applicant to engage in currency exchange.

16 14 2. When an application for an original license under this  
16 15 article is complete, the superintendent shall promptly notify  
16 16 the applicant of the date on which the application was  
16 17 determined to be complete and the superintendent shall approve  
16 18 or deny the application within one hundred twenty days after  
16 19 that date.  
16 20 3. The superintendent may for good cause extend the  
16 21 application period.  
16 22 4. An applicant whose application is denied a license by  
16 23 the superintendent under this article may appeal, within  
16 24 thirty days after receipt of the notice of the denial, from  
16 25 the denial and request a hearing. The denial of a license  
16 26 shall not be deemed a contested case.

16 27 Sec. 13. NEW SECTION. 533C.304 RENEWAL OF LICENSE.  
16 28 1. A licensee under this article shall pay a biennial  
16 29 renewal fee no later than September 1 of an odd-ending year.  
16 30 The biennial renewal fee shall be the sum of five hundred  
16 31 dollars plus an additional one hundred dollars for each  
16 32 location at which business is conducted, but shall not exceed  
16 33 two thousand dollars. Fees for locations added after the  
16 34 initial application shall be submitted with the quarterly  
16 35 reports pursuant to section 533C.503, subsection 2.

17 1 2. A licensee under this article shall submit a renewal

17 2 report with the renewal fee, in a form prescribed by the  
17 3 superintendent. The renewal report must state or contain:  
17 4 a. A description of each material change in information  
17 5 submitted by the licensee in its original license application  
17 6 that has not been reported to the superintendent on any  
17 7 required report.  
17 8 b. A list of the locations in this state where the  
17 9 licensee or an authorized delegate of the licensee engages in  
17 10 currency exchange.  
17 11 3. If a licensee does not file a renewal report and pay  
17 12 its renewal fee by September 1 of an odd-ending year, or any  
17 13 extension of time granted by the superintendent, the  
17 14 superintendent may assess a late fee of one hundred dollars  
17 15 per day.  
17 16 4. The superintendent for good cause may grant an  
17 17 extension of the renewal date.

#### 17 18 ARTICLE 4

##### 17 19 AUTHORIZED DELEGATES

17 20 Sec. 14. NEW SECTION. 533C.401 RELATIONSHIP BETWEEN  
17 21 LICENSEE AND AUTHORIZED DELEGATE.

17 22 1. In this section, "remit" means to make direct payments  
17 23 of money to a licensee or its representative authorized to  
17 24 receive money or to deposit money in a bank in an account  
17 25 specified by the licensee.

17 26 2. A contract between a licensee and an authorized  
17 27 delegate must require the authorized delegate to operate in  
17 28 full compliance with this chapter. The licensee shall furnish  
17 29 in a record to each authorized delegate policies and  
17 30 procedures for the operation of the money services business.

17 31 3. An authorized delegate shall remit all money owing to  
17 32 the licensee in accordance with the terms of the contract  
17 33 between the licensee and the authorized delegate.

17 34 4. If a license is suspended or revoked or a licensee does  
17 35 not renew its license, the superintendent shall notify all  
18 1 authorized delegates of the licensee whose names are in a  
18 2 record filed with the superintendent of the suspension,  
18 3 revocation, or nonrenewal. After notice is sent or  
18 4 publication is made, an authorized delegate shall immediately  
18 5 cease to provide money services as a delegate of the licensee.

18 6 5. An authorized delegate shall not provide money services  
18 7 outside the scope of activity permissible under the contract  
18 8 between the authorized delegate and the licensee, except  
18 9 activity in which the authorized delegate is licensed to  
18 10 engage under article 2 or 3. An authorized delegate of a  
18 11 licensee holds in trust for the benefit of the licensee all  
18 12 money net of fees received from money transmission.

18 13 6. A person operating under a written contract with a  
18 14 licensee as required under subsection 2 shall not be deemed to  
18 15 be conducting unauthorized money services because the licensee  
18 16 has failed to properly designate the person as an authorized  
18 17 delegate under this chapter provided that the person is  
18 18 otherwise operating in full compliance with this chapter.

18 19 Sec. 15. NEW SECTION. 533C.402 UNAUTHORIZED ACTIVITIES.

18 20 A person shall not provide money services on behalf of  
18 21 another person not licensed under this chapter. A person who  
18 22 engages in that activity provides money services to the same  
18 23 extent as if the person were a licensee.

#### 18 24 ARTICLE 5

##### 18 25 EXAMINATIONS == REPORTS == RECORDS

18 26 Sec. 16. NEW SECTION. 533C.501 AUTHORITY TO CONDUCT  
18 27 EXAMINATIONS.

18 28 1. The superintendent may conduct an annual examination of  
18 29 a licensee upon reasonable notice in a record to the licensee.  
18 30 The superintendent may conduct an annual examination of any  
18 31 authorized delegate of a licensee upon reasonable notice in a  
18 32 record to the authorized delegate and the licensee.

18 33 2. The superintendent may examine a licensee or its  
18 34 authorized delegate, at any time, without notice, if the  
18 35 superintendent has reason to believe that the licensee or  
19 1 authorized delegate is engaging in an unsafe or unsound  
19 2 practice or has violated or is violating this chapter or a  
19 3 rule adopted or an order issued under this chapter.

19 4 3. The licensee shall pay the reasonable cost of the  
19 5 examination.

19 6 4. Information obtained during an examination under this  
19 7 chapter may be disclosed only as provided in section 533C.507.

19 8 Sec. 17. NEW SECTION. 533C.502 JOINT EXAMINATIONS.

19 9 1. The superintendent may conduct an on-site examination  
19 10 of records listed in section 533C.505 in conjunction with  
19 11 representatives of other state agencies or agencies of another  
19 12 state or of the federal government. Instead of an

19 13 examination, the superintendent may accept the examination  
19 14 report of an agency of this state or of another state or of  
19 15 the federal government or a report prepared by an independent  
19 16 licensed or certified public accountant.

19 17 2. A joint examination or an acceptance of an examination  
19 18 report does not preclude the superintendent from conducting an  
19 19 examination as provided by law. A joint report or a report  
19 20 accepted under this section is an official report of the  
19 21 superintendent for all purposes.

19 22 Sec. 18. NEW SECTION. 533C.503 REPORTS.

19 23 1. A licensee shall file with the superintendent within  
19 24 fifteen business days any material changes in information  
19 25 provided in a licensee's application as prescribed by the  
19 26 superintendent.

19 27 2. A licensee shall file with the superintendent within  
19 28 forty-five days after the end of each fiscal quarter a current  
19 29 list of all authorized delegates and locations in this state  
19 30 where the licensee or an authorized delegate of the licensee  
19 31 provides money services. The licensee shall state the name  
19 32 and street address of each location and authorized delegate.

19 33 3. A licensee shall file a report with the superintendent  
19 34 within one business day after the licensee has reason to know  
19 35 of the occurrence of any of the following events:

20 1 a. The filing of a petition by or against the licensee  
20 2 under the United States bankruptcy code, 11 U.S.C. } 101 et  
20 3 seq., for bankruptcy or reorganization.

20 4 b. The filing of a petition by or against the licensee for  
20 5 receivership, the commencement of any other judicial or  
20 6 administrative proceeding for its dissolution or  
20 7 reorganization, or the making of a general assignment for the  
20 8 benefit of its creditors.

20 9 c. The commencement of a proceeding to revoke or suspend  
20 10 its license in a state or country in which the licensee  
20 11 engages in business or is licensed.

20 12 d. The cancellation or other impairment of the licensee's  
20 13 bond or other security.

20 14 e. A charge or conviction of the licensee or of an  
20 15 executive officer, manager, or director of, or person in  
20 16 control of, the licensee for a felony.

20 17 f. A charge or conviction of an authorized delegate for a  
20 18 felony.

20 19 Sec. 19. NEW SECTION. 533C.504 CHANGE OF CONTROL.

20 20 1. A licensee shall:

20 21 a. Request approval from the superintendent of a proposed  
20 22 change of control.

20 23 b. Submit a nonrefundable fee of one thousand dollars with  
20 24 the request.

20 25 2. After review of a request for approval under subsection  
20 26 1, the superintendent may require the licensee to provide  
20 27 additional information concerning the proposed persons in  
20 28 control of the licensee. The additional information must be  
20 29 limited to the same types required of the licensee or persons  
20 30 in control of the licensee as part of its original license or  
20 31 renewal application.

20 32 3. The superintendent shall approve a request for change  
20 33 of control under subsection 1 if, after investigation, the  
20 34 superintendent determines that the person or group of persons  
20 35 requesting approval has the competence, experience, character,  
21 1 and general fitness to operate the licensee or person in  
21 2 control of the licensee in a lawful and proper manner and that  
21 3 the public interest will not be jeopardized by the change of  
21 4 control.

21 5 4. When an application for a change of control under this  
21 6 article is complete, the superintendent shall notify the  
21 7 licensee in a record of the date on which the request was  
21 8 determined to be complete and shall approve or deny the  
21 9 request within one hundred twenty days after that date.

21 10 5. The superintendent, by rule or order, may exempt a  
21 11 person from any of the requirements of subsection 1, paragraph  
21 12 "b", if it is in the public interest to do so.

21 13 6. Subsection 1 does not apply to a public offering of  
21 14 securities.

21 15 7. Before filing a request for approval to acquire control  
21 16 of a licensee or person in control of a licensee, a person may  
21 17 request in a record a determination from the superintendent as  
21 18 to whether the person would be considered a person in control  
21 19 of a licensee upon consummation of a proposed transaction. If  
21 20 the superintendent determines that the person would not be a  
21 21 person in control of a licensee, the superintendent shall  
21 22 enter an order to that effect and the proposed person and  
21 23 transaction is not subject to the requirements of subsections

21 24 1 through 3.

21 25 Sec. 20. NEW SECTION. 533C.505 RECORDS.

21 26 1. A licensee shall maintain the following records for  
21 27 determining its compliance with this chapter for at least  
21 28 three years:

21 29 a. A record of each payment instrument sold.

21 30 b. A general ledger posted at least monthly containing all  
21 31 asset, liability, capital, income, and expense accounts.

21 32 c. Bank statements and bank reconciliation records.

21 33 d. Records of outstanding payment instruments and stored=  
21 34 value obligations.

21 35 e. Records of each payment instrument and stored=value  
22 1 obligation paid within the three=year period.

22 2 f. A list of the last known names and addresses of all of  
22 3 the licensee's authorized delegates.

22 4 g. Any other records the superintendent reasonably  
22 5 requires by rule.

22 6 2. The items specified in subsection 1 may be maintained  
22 7 in any form of record.

22 8 3. Records may be maintained outside this state if they  
22 9 are made accessible to the superintendent on seven business=  
22 10 days' notice that is sent in a record.

22 11 4. All records maintained by the licensee as required in  
22 12 subsections 1 through 3 shall be open to inspection by the  
22 13 superintendent pursuant to 533C.501.

22 14 5. A licensee, authorized delegate, or any officer,  
22 15 employee, agent, or any public official or governmental  
22 16 employee who keeps or files a record pursuant to this section  
22 17 or who communicates or discloses information or records under  
22 18 this section is not liable to its customer, to a state or  
22 19 local agency, or to any person for any loss or damage caused  
22 20 in whole or in part by the making, filing, or governmental use  
22 21 of the record, or any information contained in that record.

22 22 6. The licensee shall keep such records as the  
22 23 superintendent may require in order to determine whether such  
22 24 licensee is complying with the provisions of this chapter and  
22 25 with the rules and orders lawfully made by the superintendent  
22 26 under this chapter.

22 27 Sec. 21. NEW SECTION. 533C.506 MONEY LAUNDERING REPORTS.

22 28 A licensee and an authorized delegate shall file all  
22 29 reports required by federal currency reporting, recordkeeping,  
22 30 and suspicious activity reporting requirements as set forth in  
22 31 31 U.S.C. } 5311=5330, and 31 C.F.R. } 103.11=103.170.

22 32 Sec. 22. NEW SECTION. 533C.507 DISCLOSURE.

22 33 1. Except as otherwise provided by this chapter, the  
22 34 records of the superintendent relating to examinations or  
22 35 supervision and regulation of a person licensed pursuant to  
23 1 this chapter, or authorized delegates of a person licensed  
23 2 pursuant to this chapter, are not public records and are not  
23 3 subject to disclosure under chapter 22. Neither the  
23 4 superintendent nor any member of the superintendent's staff  
23 5 shall disclose any information obtained in the discharge of  
23 6 the superintendent's official duties to any person not  
23 7 connected with the department, except that the superintendent  
23 8 or the superintendent's designee may disclose the information:

23 9 a. To representatives of federal agencies insuring  
23 10 accounts in the financial institution.

23 11 b. To representatives of state or federal agencies and  
23 12 foreign countries having regulatory or supervisory authority  
23 13 over the activities of the financial institution or similar  
23 14 financial institutions if those representatives are permitted  
23 15 to and do, upon request of the superintendent, disclose  
23 16 similar information respecting those financial institutions  
23 17 under their regulation or supervision or to those  
23 18 representatives who state in writing under oath that they will  
23 19 maintain the confidentiality of that information.

23 20 c. To the attorney general of this state.

23 21 d. To a federal or state grand jury in response to a  
23 22 lawful subpoena, or pursuant to a county attorney subpoena.

23 23 e. To the auditor of this state for the purpose of  
23 24 conducting audits authorized by law.

23 25 2. The superintendent may:

23 26 a. Disclose the fact of filing of applications with the  
23 27 department pursuant to this chapter, give notice of a hearing,  
23 28 if any, regarding those applications, and announce the  
23 29 superintendent's action thereon.

23 30 b. Disclose final decisions in connection with proceedings  
23 31 for the suspension or revocation of licenses or certificates  
23 32 issued pursuant to this chapter.

23 33 c. Prepare and circulate reports reflecting the assets and  
23 34 liabilities of licensees on an aggregate basis, including

23 35 other information considered pertinent to the purpose of each  
24 1 report for general statistical information.  
24 2 d. Prepare and circulate reports provided by law.  
24 3 3. Every official report of the department is prima facie  
24 4 evidence of the facts therein stated in any action or  
24 5 proceeding wherein the superintendent is a party.  
24 6 4. Nothing in this section shall be construed to prevent  
24 7 the disclosure of information that is:  
24 8 a. Admissible in evidence in any civil or criminal  
24 9 proceeding brought by or at the request of the superintendent  
24 10 or this state to enforce or prosecute violations of this  
24 11 chapter, chapter 706B, or the rules adopted, or orders issued  
24 12 pursuant to this chapter.  
24 13 b. Requested by or provided to a federal agency, including  
24 14 but not limited to the department of defense, department of  
24 15 energy, department of homeland security, nuclear regulatory  
24 16 commission, and centers for disease control and prevention, to  
24 17 assist state and local government with domestic preparedness  
24 18 for acts of terrorism.  
24 19 5. The attorney general or the department of public safety  
24 20 may report any possible violations indicated by analysis of  
24 21 the reports required by this chapter to any appropriate law  
24 22 enforcement or regulatory agency for use in the proper  
24 23 discharge of its official duties. The attorney general or the  
24 24 department of public safety shall provide copies of the  
24 25 reports required by this chapter to any appropriate  
24 26 prosecutorial or law enforcement agency upon being provided  
24 27 with a written request for records relating to a specific  
24 28 individual or entity and stating that the agency has an  
24 29 articulable suspicion that such individual or entity has  
24 30 committed a felony offense or a violation of this chapter to  
24 31 which the reports are relevant. A person who releases  
24 32 information received pursuant to this subsection except in the  
24 33 proper discharge of the person's official duties is guilty of  
24 34 a serious misdemeanor.

24 35 6. Any report, record, information, analysis, or request  
25 1 obtained by the attorney general or department of public  
25 2 safety pursuant to this chapter is not a public record as  
25 3 defined in chapter 22 and is not subject to disclosure.

25 4 ARTICLE 6  
25 5 PERMISSIBLE INVESTMENTS

25 6 Sec. 23. NEW SECTION. 533C.601 MAINTENANCE OF  
25 7 PERMISSIBLE INVESTMENTS.

25 8 1. A licensee shall maintain at all times permissible  
25 9 investments that have a market value computed in accordance  
25 10 with generally accepted accounting principles of not less than  
25 11 the aggregate amount of all of its outstanding payment  
25 12 instruments and stored-value obligations issued or sold and  
25 13 money transmitted by the licensee in the United States.

25 14 2. The superintendent, with respect to any licensees, may  
25 15 limit the extent to which a type of investment within a class  
25 16 of permissible investments may be considered a permissible  
25 17 investment, except for money and certificates of deposit  
25 18 issued by a bank. The superintendent by rule may prescribe or  
25 19 by order allow other types of investments that the  
25 20 superintendent determines to have a safety substantially  
25 21 equivalent to other permissible investments.

25 22 3. Permissible investments, even if commingled with other  
25 23 assets of the licensee, are held in trust for the benefit of  
25 24 the purchasers and holders of the licensee's outstanding  
25 25 payment instruments and stored-value obligations in the event  
25 26 of bankruptcy or receivership of the licensee.

25 27 Sec. 24. NEW SECTION. 533C.602 TYPES OF PERMISSIBLE  
25 28 INVESTMENTS.

25 29 1. Except to the extent otherwise limited by the  
25 30 superintendent pursuant to section 533C.601, the following  
25 31 investments are permissible under section 533C.601:

25 32 a. Cash, a certificate of deposit, or senior debt  
25 33 obligation of an insured depository institution, as defined in  
25 34 section 3 of the Federal Deposit Insurance Act, 12 U.S.C. }  
25 35 1813.

26 1 b. Banker's acceptance or bill of exchange that is  
26 2 eligible for purchase upon endorsement by a member bank of the  
26 3 federal reserve system and is eligible for purchase by a  
26 4 federal reserve bank.

26 5 c. An investment bearing a rating of one of the three  
26 6 highest grades as defined by a nationally recognized  
26 7 organization that rates securities.

26 8 d. An investment security that is an obligation of the  
26 9 United States or a department, agency, or instrumentality  
26 10 thereof; an investment in an obligation that is guaranteed

26 11 fully as to principal and interest by the United States; or an  
26 12 investment in an obligation of a state or a governmental  
26 13 subdivision, agency, or instrumentality thereof.  
26 14 e. Receivables that are payable to a licensee from its  
26 15 authorized delegates, in the ordinary course of business,  
26 16 pursuant to contracts which are not past due or doubtful of  
26 17 collection if the aggregate amount of receivables under this  
26 18 paragraph does not exceed twenty percent of the total  
26 19 permissible investments of a licensee and the licensee does  
26 20 not hold at one time receivables under this paragraph in any  
26 21 one person aggregating more than ten percent of the licensee's  
26 22 total permissible investments.

26 23 f. A share or a certificate issued by an open-end  
26 24 management investment company that is registered with the  
26 25 United States securities and exchange commission under the  
26 26 federal Investment Companies Act of 1940, 15 U.S.C. } 80a=1=  
26 27 80a=64, and whose portfolio is restricted by the management  
26 28 investment company's investment policy to investments  
26 29 specified in paragraphs "a" through "d".

26 30 2. The following investments are permissible under section  
26 31 533C.601, but only to the extent specified:

26 32 a. An interest-bearing bill, note, bond, or debenture of a  
26 33 person whose equity shares are traded on a national securities  
26 34 exchange or on a national over-the-counter market, if the  
26 35 aggregate of investments under this paragraph does not exceed  
27 1 twenty percent of the total permissible investments of a  
27 2 licensee and the licensee does not at one time hold  
27 3 investments under this paragraph in any one person aggregating  
27 4 more than ten percent of the licensee's total permissible  
27 5 investments.

27 6 b. A share of a person traded on a national securities  
27 7 exchange or a national over-the-counter market or a share or a  
27 8 certificate issued by an open-end management investment  
27 9 company that is registered with the United States securities  
27 10 and exchange commission under the federal Investment Companies  
27 11 Act of 1940, 15 U.S.C. } 80a=1=80a=64, and whose portfolio is  
27 12 restricted by the management investment company's investment  
27 13 policy to shares of a person traded on a national securities  
27 14 exchange or a national over-the-counter market, if the  
27 15 aggregate of investments under this paragraph does not exceed  
27 16 twenty percent of the total permissible investments of a  
27 17 licensee and the licensee does not at one time hold  
27 18 investments in any one person aggregating more than ten  
27 19 percent of the licensee's total permissible investments.

27 20 c. A demand-borrowing agreement made with a corporation or  
27 21 a subsidiary of a corporation whose securities are traded on a  
27 22 national securities exchange if the aggregate of the amount of  
27 23 principal and interest outstanding under demand-borrowing  
27 24 agreements under this paragraph does not exceed twenty percent  
27 25 of the total permissible investments of a licensee and the  
27 26 licensee does not at one time hold principal and interest  
27 27 outstanding under demand-borrowing agreements under this  
27 28 paragraph with any one person aggregating more than ten  
27 29 percent of the licensee's total permissible investments.

27 30 d. Any other investment the superintendent designates, to  
27 31 the extent specified by the superintendent.

27 32 3. The aggregate of investments under subsection 2 may not  
27 33 exceed fifty percent of the total permissible investments of a  
27 34 licensee calculated in accordance with section 533C.601.

27 35 ARTICLE 7  
28 1 ENFORCEMENT

28 2 Sec. 25. NEW SECTION. 533C.701 SUSPENSION AND REVOCATION  
28 3 == RECEIVERSHIP.

28 4 1. The superintendent may suspend or revoke a license,  
28 5 place a licensee in receivership, or order a licensee to  
28 6 revoke the designation of an authorized delegate if:

28 7 a. The licensee violates this chapter or a rule adopted or  
28 8 an order issued under this chapter.

28 9 b. The licensee does not cooperate with an examination or  
28 10 investigation by the superintendent.

28 11 c. The licensee engages in fraud, intentional  
28 12 misrepresentation, or gross negligence.

28 13 d. An authorized delegate is convicted of a violation of a  
28 14 state or federal anti-money laundering statute, or violates a  
28 15 rule adopted or an order issued under this chapter, as a  
28 16 result of the licensee's willful misconduct or willful  
28 17 blindness.

28 18 e. The competence, experience, character, or general  
28 19 fitness of the licensee, authorized delegate, person in  
28 20 control of a licensee, or responsible individual of the  
28 21 licensee or authorized delegate indicates that it is not in

28 22 the public interest to permit the person to provide money  
28 23 services.  
28 24 f. The licensee engages in an unsafe or unsound practice.  
28 25 g. The licensee is insolvent, suspends payment of its  
28 26 obligations, or makes a general assignment for the benefit of  
28 27 its creditors.  
28 28 h. The licensee does not remove an authorized delegate  
28 29 after the superintendent issues and serves upon the licensee a  
28 30 final order finding that the authorized delegate has violated  
28 31 this chapter.

28 32 2. In determining whether a licensee is engaging in an  
28 33 unsafe or unsound practice, the superintendent may consider  
28 34 the size and condition of the licensee's money transmission,  
28 35 the magnitude of the loss, the gravity of the violation of  
29 1 this chapter, and the previous conduct of the person involved.

29 2 Sec. 26. NEW SECTION. 533C.702 SUSPENSION AND REVOCATION  
29 3 OF AUTHORIZED DELEGATES.

29 4 1. The superintendent may issue an order suspending or  
29 5 revoking the designation of an authorized delegate if the  
29 6 superintendent finds that:

29 7 a. The authorized delegate violated this chapter or a rule  
29 8 adopted or an order issued under this chapter.

29 9 b. The authorized delegate did not cooperate with an  
29 10 examination or investigation by the superintendent.

29 11 c. The authorized delegate engaged in fraud, intentional  
29 12 misrepresentation, or gross negligence.

29 13 d. The authorized delegate is convicted of a violation of  
29 14 a state or federal anti-money laundering statute.

29 15 e. The competence, experience, character, or general  
29 16 fitness of the authorized delegate or a person in control of  
29 17 the authorized delegate indicates that it is not in the public  
29 18 interest to permit the authorized delegate to provide money  
29 19 services.

29 20 f. The authorized delegate is engaging in an unsafe or  
29 21 unsound practice.

29 22 2. In determining whether an authorized delegate is  
29 23 engaging in an unsafe or unsound practice, the superintendent  
29 24 may consider the size and condition of the authorized  
29 25 delegate's provision of money services, the magnitude of the  
29 26 loss, the gravity of the violation of this chapter or a rule  
29 27 adopted or order issued under this chapter, and the previous  
29 28 conduct of the authorized delegate.

29 29 3. An authorized delegate may apply for relief from a  
29 30 suspension or revocation of designation as an authorized  
29 31 delegate according to procedures prescribed by the  
29 32 superintendent.

29 33 Sec. 27. NEW SECTION. 533C.703 ORDERS TO CEASE AND  
29 34 DESIST.

29 35 1. If the superintendent determines that a violation of  
30 1 this chapter or of a rule adopted or an order issued under  
30 2 this chapter by a licensee or authorized delegate is likely to  
30 3 cause immediate and irreparable harm to the licensee, its  
30 4 customers, or the public as a result of the violation, or  
30 5 cause insolvency or significant dissipation of assets of the  
30 6 licensee, the superintendent may issue an order requiring the  
30 7 licensee or authorized delegate to cease and desist from the  
30 8 violation. The order becomes effective upon service of it  
30 9 upon the licensee or authorized delegate.

30 10 2. The superintendent may issue an order against a  
30 11 licensee to cease and desist from providing money services  
30 12 through an authorized delegate that is the subject of a  
30 13 separate order by the superintendent.

30 14 3. An order to cease and desist remains effective and  
30 15 enforceable pending the completion of an administrative  
30 16 proceeding pursuant to section 533C.701 or 533C.702.

30 17 4. A licensee or an authorized delegate who is served with  
30 18 an order to cease and desist may petition the appropriate  
30 19 court, for a judicial order setting aside, limiting, or  
30 20 suspending the enforcement, operation, or effectiveness of the  
30 21 order pending the completion of an administrative proceeding  
30 22 pursuant to section 533C.701 or 533C.702.

30 23 5. An order to cease and desist expires unless the  
30 24 superintendent commences an administrative proceeding pursuant  
30 25 to section 533C.701 or 533C.702 within ten days after it is  
30 26 issued.

30 27 Sec. 28. NEW SECTION. 533C.704 CONSENT ORDERS.

30 28 The superintendent may enter into a consent order at any  
30 29 time with a person to resolve a matter arising under this  
30 30 chapter or a rule adopted or order issued under this chapter.  
30 31 A consent order must be signed by the person to whom it is  
30 32 issued or by the person's authorized representative, and must

30 33 indicate agreement with the terms contained in the order. A  
30 34 consent order may provide that it does not constitute an  
30 35 admission by a person that this chapter or a rule adopted or  
31 1 an order issued under this chapter has been violated.  
31 2 Sec. 29. NEW SECTION. 533C.705 CIVIL PENALTIES.  
31 3 The superintendent may assess a civil penalty against a  
31 4 person who violates this chapter or a rule adopted or an order  
31 5 issued under this chapter in an amount not to exceed one  
31 6 thousand dollars per day for each day the violation is  
31 7 outstanding, plus this state's costs and expenses for the  
31 8 investigation and prosecution of the matter, including  
31 9 reasonable attorney fees.  
31 10 Sec. 30. NEW SECTION. 533C.706 CRIMINAL PENALTIES.  
31 11 1. A person who intentionally makes a false statement,  
31 12 misrepresentation, or false certification in a record filed or  
31 13 required to be maintained under this chapter or who  
31 14 intentionally makes a false entry or omits a material entry in  
31 15 such a record is guilty of a class "D" felony.  
31 16 2. A person who knowingly engages in an activity for which  
31 17 a license is required under this chapter without being  
31 18 licensed under this chapter is guilty of an aggravated  
31 19 misdemeanor.  
31 20 3. It shall be unlawful for any person to do any of the  
31 21 following:  
31 22 a. With intent to disguise the fact that money or a  
31 23 payment instrument is the proceeds of criminal conduct, or  
31 24 with intent to promote, manage, establish, carry on, or  
31 25 facilitate the promotion, management, establishment, or  
31 26 carrying on of any criminal conduct, to knowingly furnish or  
31 27 provide to a licensee, authorized delegate, financial  
31 28 institution, person engaged in a trade or business, or any  
31 29 officer, employee, agent, or authorized delegate of any of  
31 30 them, or to the attorney general or department of public  
31 31 safety, any false, inaccurate, or incomplete information; or  
31 32 to knowingly conceal a material fact in connection with a  
31 33 transaction for which a report is required to be filed  
31 34 pursuant to this chapter.  
31 35 b. With the intent to disguise the fact that money or a  
32 1 payment instrument is the proceeds of criminal conduct, or  
32 2 with intent to promote, manage, establish, carry on, or  
32 3 facilitate the promotion, management, establishment, or  
32 4 carrying on of any criminal conduct, or with intent to evade  
32 5 the making or filing of a report required under this chapter,  
32 6 or with intent to cause the making or filing of a report that  
32 7 contains a material omission or misstatement of fact, to  
32 8 conduct or structure a transaction or series of transactions  
32 9 by or through one or more licensees, authorized delegates,  
32 10 financial institutions, or persons engaged in a trade or  
32 11 business.  
32 12 4. A person who violates subsection 3 is guilty of a class  
32 13 "C" felony and is also subject to a civil penalty of three  
32 14 times the value of the property involved in the transaction,  
32 15 or, if no transaction is involved, five thousand dollars.  
32 16 5. Notwithstanding any other provision of law, each  
32 17 violation of this section constitutes a separate, punishable  
32 18 offense.  
32 19 Sec. 31. NEW SECTION. 533C.707 UNLICENSED PERSONS.  
32 20 1. If the superintendent has reason to believe that a  
32 21 person has violated or is violating section 533C.201,  
32 22 533C.301, 533C.401, or 533C.402, the superintendent may issue  
32 23 an order to show cause why an order to cease and desist should  
32 24 not issue requiring that the person cease and desist from the  
32 25 violation of section 533C.201, 533C.301, 533C.401, or  
32 26 533C.402.  
32 27 2. In an emergency, the superintendent may petition the  
32 28 district court for the issuance of a temporary restraining  
32 29 order ex parte pursuant to the rules of civil procedure.  
32 30 3. An order to cease and desist becomes effective upon  
32 31 service of it upon the person.  
32 32 4. An order to cease and desist remains effective and  
32 33 enforceable pending the completion of an administrative  
32 34 proceeding pursuant to sections 533C.701 and 533C.702.  
32 35 5. A person who is served with an order to cease and  
33 1 desist under this section may petition the district court for  
33 2 a judicial order setting aside, limiting, or suspending the  
33 3 enforcement, operation, or effectiveness of the order pending  
33 4 the completion of an administrative proceeding pursuant to  
33 5 sections 533C.701 and 533C.702.  
33 6 6. An order to cease and desist expires unless the  
33 7 superintendent commences an administrative proceeding within  
33 8 ten days after it is issued.

33 9 Sec. 32. NEW SECTION. 533C.708 INVESTIGATIONS.  
33 10 1. The attorney general or county attorney may conduct  
33 11 investigations within or outside this state to determine if  
33 12 any licensee, authorized delegate, or person engaged in a  
33 13 trade or business has failed to file a report required by this  
33 14 chapter or has engaged or is engaging in any act, practice, or  
33 15 transaction that constitutes a violation of this chapter.  
33 16 2. Upon presentation of a subpoena from a prosecuting  
33 17 attorney, all licensees, authorized delegates, and financial  
33 18 institutions shall make their books and records available to  
33 19 the attorney general or county attorney or peace officer  
33 20 during normal business hours for inspection and examination in  
33 21 connection with an investigation pursuant to this section.

33 22 ARTICLE 8

33 23 ADMINISTRATIVE PROCEDURES

33 24 Sec. 33. NEW SECTION. 533C.801 ADMINISTRATIVE  
33 25 PROCEEDINGS.

33 26 All administrative proceedings under this chapter must be  
33 27 conducted in accordance with chapter 17A.

33 28 Sec. 34. NEW SECTION. 533C.802 HEARINGS.

33 29 Except as otherwise provided in sections 533C.703 and  
33 30 533C.707, the superintendent shall not suspend or revoke a  
33 31 license, place a licensee in receivership, issue an order to  
33 32 cease and desist, suspend or revoke the designation of an  
33 33 authorized delegate, or assess a civil penalty without notice  
33 34 and an opportunity to be heard. The superintendent shall also  
33 35 hold a hearing when requested to do so by an applicant whose  
34 1 application for a license is denied.

34 2 Sec. 35. NEW SECTION. 533C.803 RULES.

34 3 The superintendent may adopt pursuant to chapter 17A such  
34 4 reasonable and relevant rules, not inconsistent with this  
34 5 chapter, as may be necessary for the enforcement of the  
34 6 provisions of this chapter.

34 7 ARTICLE 9

34 8 MISCELLANEOUS PROVISIONS

34 9 Sec. 36. NEW SECTION. 533C.901 UNIFORMITY OF APPLICATION  
34 10 AND CONSTRUCTION.

34 11 1. The provisions of this chapter shall be liberally  
34 12 construed to effectuate its remedial purposes. Civil remedies  
34 13 under this chapter shall be supplemental and not mutually  
34 14 exclusive. The civil remedies do not preclude and are not  
34 15 precluded by other provisions of law.

34 16 2. The provisions of this chapter shall be applied and  
34 17 construed to effectuate its general purpose to make uniform  
34 18 the law with respect to the subject of this chapter among  
34 19 states enacting the law and to make the reporting requirements  
34 20 regarding financial transactions under Iowa law uniform with  
34 21 the reporting requirements regarding financial transactions  
34 22 under federal law.

34 23 3. The attorney general may enter into reciprocal  
34 24 agreements with the attorney general or chief prosecuting  
34 25 attorney of any state to effectuate the purposes of this  
34 26 chapter.

34 27 Sec. 37. NEW SECTION. 533C.902 MONEY SERVICES LICENSING  
34 28 FUND.

34 29 1. A financial services licensing fund is created as a  
34 30 separate fund in the state treasury under the authority of the  
34 31 banking division of the department of commerce. Moneys  
34 32 deposited in the fund shall be used to pay for staffing  
34 33 necessary to perform examinations, audits, and other duties  
34 34 required of the superintendent and the banking division under  
34 35 this chapter.

35 1 2. The fund shall receive moneys including, but not  
35 2 limited to, any fees, costs, expenses, or penalties collected  
35 3 pursuant to this chapter.

35 4 3. Notwithstanding section 8.33, moneys appropriated to  
35 5 the fund and other moneys credited to the fund shall not  
35 6 revert at the close of the fiscal year but shall remain in the  
35 7 financial services licensing fund and shall remain available  
35 8 for expenditure for the purposes designated.

35 9 Sec. 38. NEW SECTION. 533C.903 SEVERABILITY CLAUSE.

35 10 The provisions of this chapter are severable pursuant to  
35 11 section 4.12.

35 12 Sec. 39. NEW SECTION. 533C.904 SAVINGS AND TRANSITIONAL  
35 13 PROVISIONS.

35 14 1. A license issued under chapter 533B, Code 2003, that is  
35 15 in effect immediately before October 1, 2003, remains in force  
35 16 as a license under chapter 533B, Code 2003, until the  
35 17 license's expiration date. Thereafter, the licensee is deemed  
35 18 to have applied for and received a license under this chapter  
35 19 and must comply with the renewal requirements set forth in

35 20 this chapter. Licenses issued under chapter 533B, Code 2003,  
35 21 will be initially renewed for a period to the next September  
35 22 30 with the license renewal fee prorated based on a two  
35 23 thousand dollar annual fee.

35 24 2. This chapter applies to the provision of money services  
35 25 on or after the effective date of this Act. This chapter does  
35 26 not apply to money transmission provided by a licensee who was  
35 27 licensed to provide money transmission under chapter 533B,  
35 28 Code 2003, and whose license remains in force under this  
35 29 section.

35 30 3. A person is not deemed to be in violation of this  
35 31 chapter for operating without a license if the person files an  
35 32 application within three calendar months after the effective  
35 33 date of this Act until the application is denied.

35 34 Sec. 40. Section 524.212, Code 2003, is amended to read as  
35 35 follows:

36 1 524.212 PROHIBITION AGAINST DISCLOSURE OF REGULATORY  
36 2 INFORMATION.

36 3 The superintendent, deputy superintendent, assistant to the  
36 4 superintendent, examiner, or other employee of the banking  
36 5 division shall not disclose, in any manner, to any person  
36 6 other than the person examined and those regulatory agencies  
36 7 referred to in section 524.217, subsection 2, any information  
36 8 relating specifically to the supervision and regulation of any  
36 9 state bank, persons subject to the provisions of chapter 533A,  
36 10 ~~533B~~ 533C, 536, or 536A, any affiliate of any state bank, or  
36 11 an affiliate of a person subject to the provisions of chapter  
36 12 533A, ~~533B~~ 533C, 536, or 536A, except when ordered to do so by  
36 13 a court of competent jurisdiction and then only in those  
36 14 instances referred to in section 524.215, subsections 1, 2, 3,  
36 15 and 5.

36 16 Sec. 41. Chapter 533B, Code 2003, is repealed.

36 17 Sec. 42. EFFECTIVE DATE. This Act takes effect October 1,  
36 18 2003.

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\_\_\_\_\_  
MARY E. KRAMER  
President of the Senate

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CHRISTOPHER C. RANTS  
Speaker of the House

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36 30 I hereby certify that this bill originated in the Senate and

36 31 is known as Senate File 372, Eightieth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

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THOMAS J. VILSACK  
Governor